# European Livestock Coalition contribution to Sustainable finance

## *EU classification system for green investments*

The above mentioned Members of the European Livestock Coalition[1] (The Coalition) acknowledge the importance of and the efforts made by the EU institutions in mobilising the necessary capital to deliver on the policy objectives of the European Green Deal to have a more sustainable and climate resilient economy in order to achieve the ambitious objectives of the Paris Climate Accord[2].

The Coalition also welcomes the inclusion of livestock production in the first Delegated Act which establishes the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation.

It is essential that livestock farmers have access to funding to help them continue their efforts to reduce greenhouse gas emissions from agriculture.

The Coalition believes that livestock production should also be included in the upcoming Delegated Act that will set out corresponding activities and associated technical screening criteria in relation to the other four environmental objectives defined in the Regulation, and to be adopted in 2021.

The Coalition believes that the agri-food chain in general and the livestock sector in particular, now more than ever, need to be able to count on financial support and investments in more sustainable production methods and innovative adaptation measures including smarter technologies.
The Coalition agrees that access to "sustainable finance" should be subject to eligibility criteria.

Ensuring access to finance is of paramount importance, especially under the new circumstances created by the COVID-19 pandemic where all the actors of the chain need to recover from the current crisis while maintaining food security in Europe and continuing their transition towards a more resource efficient and competitive economy.

As regards the GHG emissions related to livestock production and animal products it should be noted that every constituent of the agri-food chain plays its specific role contributing to the overall sustainability of the farming sector.

In this process it is important to take stock and recognise:

**The efforts of farmers and their cooperatives to improve the sustainability of agricultural production:**

[1] AnimalhealthEurope, AVEC, CLITRAVI, COPA-COGECA, EFFAB, FEFAC, FEFANA, UECBV
[2] Agreement within the United Nations Framework Convention on Climate Change (UNFCCC), on climate change mitigation, adaptation, and finance, signed in 2016

- European farmers and their cooperatives are the first to face the impact of climate change in their daily work. Agriculture is an indispensable partner for achieving the Climate Accord's goals and the sector has a pivotal role to play. It is fundamental to recognise that farmers are the first producers of food and ensure food security. Their role here must therefore be considered in a comprehensive manner alongside their contribution to reducing emissions, increasing absorptions and adapting to climate change.
- European farming already significantly decreased its greenhouse-gas emissions in the last three decades. While agricultural biogenic non-CO2 emissions cannot be fully eliminated, agriculture is doing its share in the cross-sectorial endeavours to achieve the EU climate policy goals

**The animal breeding sector's efforts to help improve the sustainability of agricultural production:**

- The animal breeding and reproduction sector plays a key role in ensuring the sustainability of EU food production. Through the implementation of animal breeding programmes, animal breeding companies, cooperatives and organisations in Europe focus on a combination of traits that aim to improve animal health and welfare, food safety and sustainability whilst reducing the environmental footprint by improving the robustness of animals and feed efficiency.
- The breeding practices adopted by companies have a direct impact on the animals that farmers rear to provide sustainable, nutritious and tasty food to EU citizens. The sector is committed to responsible and balanced animal breeding, through Code of Best Practices on Animal Breeding and Reproduction: CODE EFABAR. This code outlines the animal breeding sector's commitment towards sustainability and recognises the central role of sustainability in safeguarding both European and global food security for today and the future.

**The animal health sector's efforts to help improve the sustainability of agricultural production:**

- The animal health sector offers livestock producers both preventive and curative solutions as well as animal health management technologies that can assist livestock farmers with their transition to more sustainable practices from a multitude of angles: animal health and welfare; food loss and waste at farm level; food safety and security; and impact on the environment.
- Improved animal management through more holistic animal health care practices are a key part of farm sustainability plans that aspire to reducing the need for medical treatments, such as antibiotics. With improved livestock health, farmers also experience less losses of milk or eggs, meaning reduced food waste. Healthier animals also mean reduced morbidity and mortality and a reduced need for natural resources like feed and water.

**The compound feed & premix production sector's efforts to help improve the sustainability of agricultural production:**

- The compound feed & premix production sector offers livestock producers with animal nutrition solutions and feed processing technology that can assist them with their transition to more sustainable practices. Examples are the reduction of GHG emissions and nitrogen leakage as well as the enhancement of farm animal health through animal nutrition, to assist in farm sustainability plans that aspire to reduce the need for veterinary treatment, such as antibiotics.

- The compound feed & premix production sector is committed to ensuring the minimal safeguards are implemented and foster the sustainable procurement of feed, in particular soybean products. In this light, FEFAC recently upgraded its Soy Sourcing Guidelines to further increase the market transparency of "conversion-free soy".

**The feed additive sector's efforts to help improve the sustainability of agricultural production:**

- Specialty feed ingredients contribute to limiting the environmental impact of animal farming activities through animal nutrition. Life Cycle Analysis studies have demonstrated that certain ingredients can reduce Green House Gas (GHG) emissions, eutrophication and acidification in different ways.
- Enteric fermentation and manure management are sources of GHG emissions (methane and ammonia). Certain specialty feed ingredients can reduce enteric methane emission by directly acting in the animal's rumen; while others can reduce the emission of ammonia during manure management by regulating urine pH.
- Furthermore, thanks to specialty feed ingredients, feed producers are able to formulate their feed with lower nitrogen and phosphorus content, ensuring a more efficient digestion and absorption of nutrients by the animal. This influences manure composition and quantity, leading to decreased excretion of nitrogen and phosphorus into the environment, helping to preserve ecosystems from the threats of eutrophication and acidification.
- Finally, some specialty feed ingredients prevent or limit the spoilage of feed, hence reducing feed losses and maximising the use of the feed concerned without resort to additional resources, whereas other products support the use of by-products from the food industry in feed. These characteristics contribute directly to the goal of a circular economy.

**The efforts from livestock trading, slaughtering and processing sectors to improve the sustainability of the meat production**

- The trading, slaughtering and processing sectors plays a very important role in delivering high quality and nutritious meat and meat products to the consumers with a high degree of food safety and at an affordable price.
- Nothing is lost in the meat production: non-edible part of the animals are used in hundreds of applications which benefit other sectors (leather, feather pillow, gelatine, collagen), recovering thousands of different products, energy, organic fertilizers and feed…. In addition, meat producing companies are working hard to reduce their use of resources (electricity, water,…) and ultimately their impact on the environment.
- Meat processing companies are also reformulating their products (with less salt or fat for example) to improve the impact of their products on the health of the consumers and are investing in responsible marketing to promote balanced diets.